

Support micro entrepreneurs' mental health and well-being businesses



EMN Webinar
15th of November 2022

***Understand the entrepreneurs' struggles –
mental health study findings & common causes***

Video

https://www.youtube.com/watch?v=kvW_cUXxCz0&t=3s

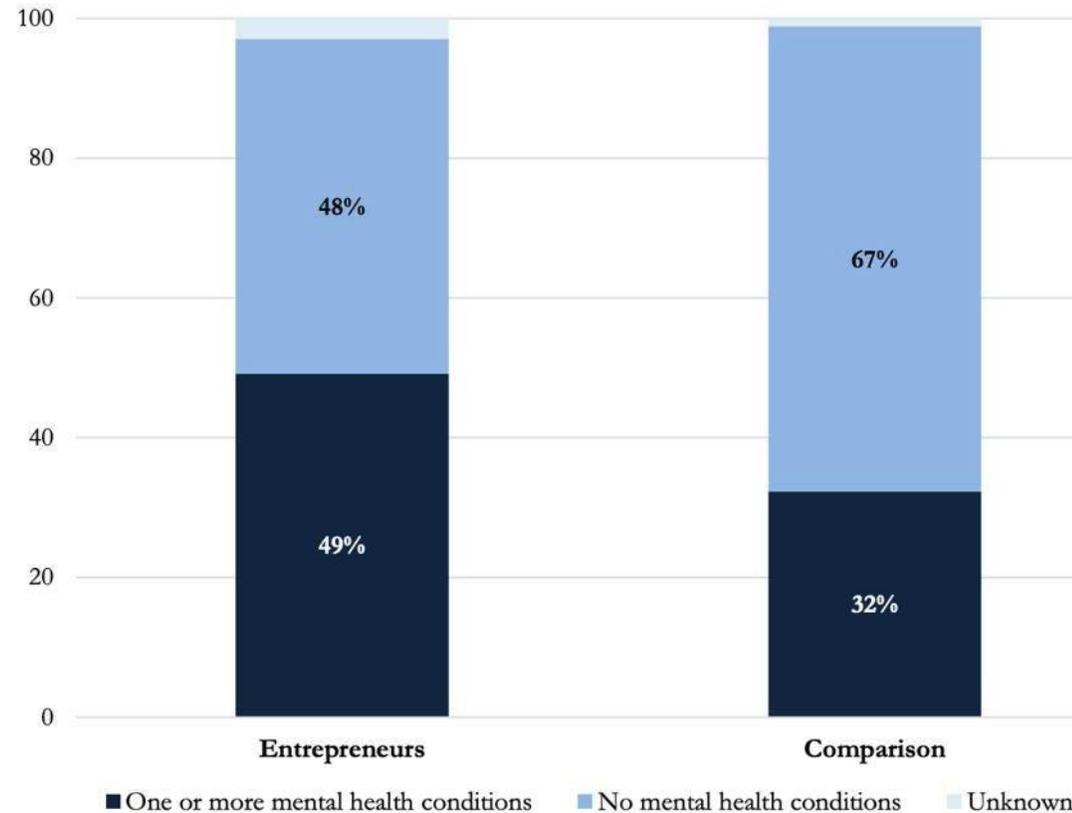
Are Entrepreneurs “Touched with Fire”?

Self-reported mental health concerns were present across 72% of the entrepreneurs in this sample, a proportion that was significantly higher than that of the comparison group.

Entrepreneurs reported significantly more symptoms than the comparison participants:

- 49% reported having one or more lifetime mental health conditions,
- 32% reported having two or more lifetime mental health conditions,
- 18% reported having three or more lifetime mental health conditions, and
- 23% reported being asymptomatic members of highly symptomatic families.

Respondents that report having any lifetime mental health condition
percent of total respondents



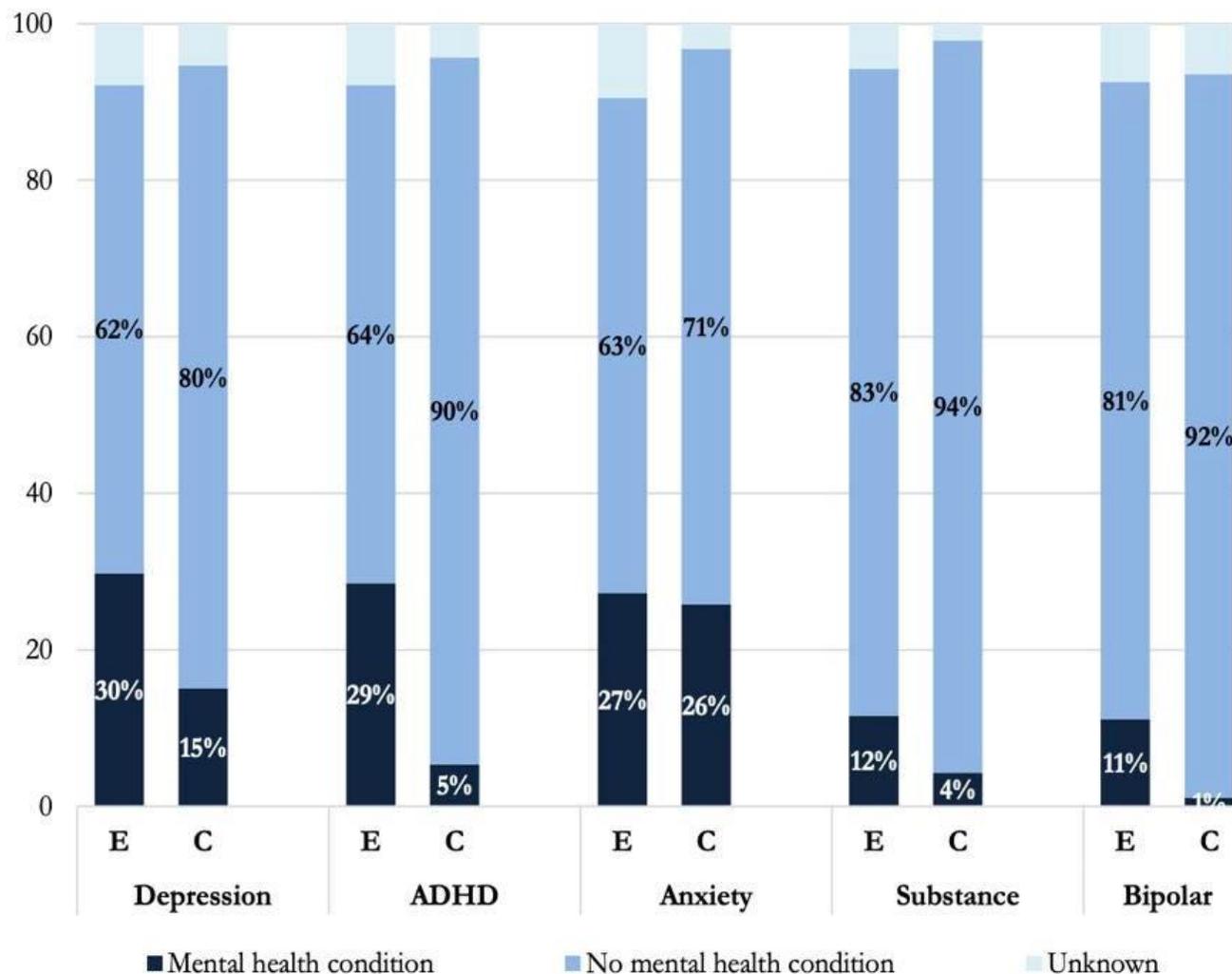
Source: Michael A. Freeman, M.D. University of California San Francisco, 2015 study, <https://bit.ly/3TpIFiA>

Are Entrepreneurs “Touched with Fire”?

The entrepreneurs were significantly more likely to report a lifetime history of depression (30%), ADHD (29%), substance use conditions (12%) and bipolar diagnosis (11%) than were comparison participants.

"People who are on the energetic, motivated, and creative side are both more likely to be entrepreneurial and more likely to have strong emotional states," Freeman

Lifetime prevalence of mental health conditions among entrepreneurs
percent of total respondents



E = Entrepreneurs C = Comparison Participants

Source: Michael A. Freeman, M.D. University of California San Francisco, 2015 study, <https://bit.ly/3TpIFiA>

Small business owners are exhausted after navigating almost two years in the pandemic

- **42% experience burnout** or have experienced it within the past month, compared to 62% of minority-owned businesses reporting the same experience.
- **47% of business owners report feeling run down** and drained of physical and/or emotional energy.
- 45% of business owners report that running a business during the pandemic has had a negative impact on their mental well-being.
- > 53% of business owners report that when they experience burnout it is a barrier to success for their business; **35% percent report that they could use external support** and/or resources to help combat burnout.
- **53% of business owners report feeling at least some mental exhaustion** in the past year due to the stress of running their business, nearly a quarter (23 percent) of minority-owned businesses say they have experienced constant mental exhaustion in that time.



Capital One Business Survey, Jan 2022 (Source: [\(4\) Small Business Owners Exhausted, but Optimistic Heading into 2022 | LinkedIn](#))

Small business owners are struggling to step away from work during the pandemic and more than half (52 percent) of business owners have not taken a vacation in 2021

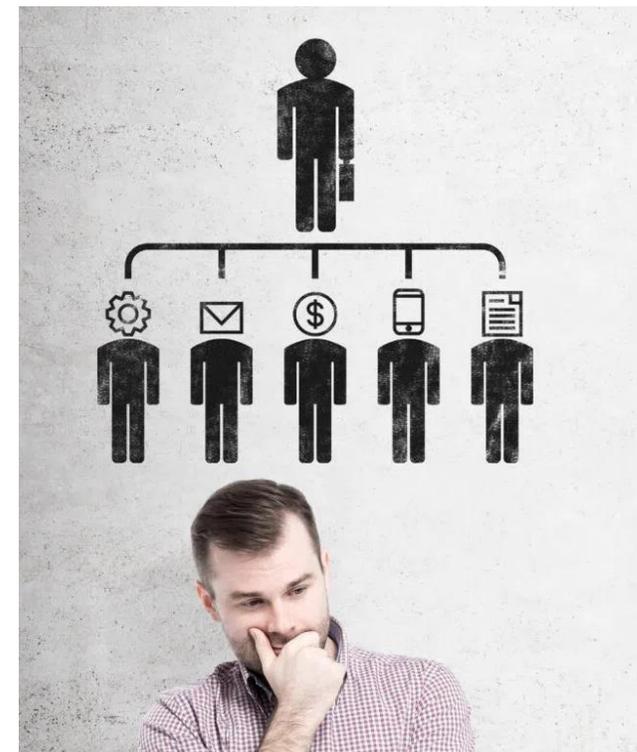
- **60% of business owners did not take a week or more off of work for any reason since** the onset of the pandemic in March 2020; and 19 percent have not stopped working for any amount of time during that period.
- In the past year, **62% of SBOs have worked longer hours**; 53% have worked on major holidays; and 62% have checked in on their business while on vacation or spending time with family/friends.
- Despite 50% of business owners reporting that sleep helps them positively impact their well-being and/or combat burnout, 32% feel that running a business over the past year has worsened their ability to keep a regular sleep schedule.
- 49% of business owners report that they are constantly worried about their business's finances.
- **26% of business owners report that their work-life balance is worse compared to pre-pandemic.**



Capital One Business Survey, Jan 2022 (Source: [\(4\) Small Business Owners Exhausted, but Optimistic Heading into 2022 | LinkedIn](#))

Small business owners are deprioritizing their work-life balance and struggling to find ways to address impacts from the “Great Resignation” and worker shortages

- **44% of business owners report having worked more than usual** due to the employee shortage in the past year.
- In order to help offset their workload in the past year, some business owners have had to hire more full-time employees (13 percent) and others have delegated more of their own responsibilities to their teams (16 percent).
- **1 in 5 business owners have identified** or are planning to identify **opportunities and gaps in staffing**; 15 percent have planned or are planning team-building activities for their employees.
- **1 in 5 business owners are planning to delegate more** of their responsibilities to their team in 2022; and 18 percent have made resolutions to prioritize and/or invest in their company’s culture.



Capital One Business Survey, Jan 2022 (Source: [\(4\) Small Business Owners Exhausted, but Optimistic Heading into 2022 | LinkedIn](#))

When looking ahead, small business owners were optimistic

- **57% set business-focused resolutions for 2022**, despite continued uncertainty around the pandemic's trajectory.
- 59% percent of business owners feel just as, if not more, motivated to grow their business today than they did before the pandemic.
- Top issues keeping business owners up at night in Q4 2021 reflect a business as usual mindset: cash flow (33 percent), inflation (27 percent), and taxes (26 percent).
- **63% of business owners expect business conditions in their area to improve in 2022.**
- 52 % of business owners expect their work-life balance to improve in the next six months based on the current state of their business.



Capital One Business Survey, Jan 2022 (Source: [\(4\) Small Business Owners Exhausted, but Optimistic Heading into 2022 | LinkedIn](#))



Invitee
Mihaela Blaga
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office business

What causes the mental health conditions?

Common causes of mental health conditions for (start ups) entrepreneurs



ENTREPRENEURS AND MENTAL HEALTH
What You Need to Know

Burnout
Compared to employees, entrepreneurs have a higher tendency to feel distressed.

Mental Health Issues
30% of entrepreneurs suffer from depression, with chronic stress as a contributing factor.

Stress
More entrepreneurs report to feeling stressed (45%) compared to employees (42%).

Worry
More entrepreneurs report to feeling worried (34%) compared to workers (30%).

Based on a study by Gallup Wellbeing Index

Workload

Especially when new in business but also for more experienced ones extra number of hours might be needed to get the business started or rolling.

Money and finance

Whether funding business for themselves, have borrowed through loans, or received grants, how the numbers add up is one of the key concerns for any business.

Lack of support networks and structure

Entrepreneurs may find themselves without the day-to-day camaraderie of colleagues or the structure of an office – both of which can have an adverse effect when removed.

These conditions could manifest themselves as anxiety, depression or stress, or another type of mental health issue.

Isolation

Becoming own boss = stepping away from the routine of regular employment. Unless they have a co-founder, this means going it alone. The pressure of being responsible for every decision can be intimidating.

Positivity pressure

There can be a certain pressure to make it feel like living the dream every single moment of the day – that everything's going great, always. That could be in terms of how they act and talk about business, as well as how they look and present yourself to the world.

Source: [Entrepreneurs and mental health - Startups.co.uk](https://www.startups.co.uk/entrepreneurs-and-mental-health)

Common causes of mental health conditions for (start ups) entrepreneurs

Maintaining
POSITIVE MENTAL HEALTH
when you're starting out as an entrepreneur

RETHINK YOUR PERCEPTION OF TIME

The unlimited newfound time on your hands places a pressure on you to be productive and use every waking moment to work, risking burnout.

Remind yourself that you're only human - you can't do everything all at once. Set realistic targets, work to a routine and ensure you have downtime in order to unwind and recoup your energy.

GET SOCIAL

Half of entrepreneurs experience loneliness some of the time*, diluting the satisfaction of success.

Avoid feeling lonely by establishing connection both socially and professionally, joining business networks and contributing to professional groups in the early days, that will continue to grow.

PRIORITISE YOUR WELLBEING

Your wellbeing includes both your mental and physical state, both of which are easy to neglect when the pressure is on and you're busy from day one.

Incorporate self-care into your daily routine and learn to recognise your warning signs. These could be anything from negative eating habits, working long hours or struggling with stress.

BE REALISTIC WITH YOUR EXPECTATIONS

Be realistic about the ups and downs you're likely to experience as an entrepreneur. Some things you'll get right and others you will learn from.

By incorporating worst-case scenarios into your planning, you are preparing yourself both mentally and transactionally for those times that may not go as planned.

SEEK HELP WHEN YOU NEED IT

If you reach a point where you feel ready to quit, avoid a snap decision of walking away, which may leave your mental health worse off in the long run.

Instead, take a step back and ask yourself if there are alternative options. Are you simply burnt out? Do you need business support? An investor? Help is out there.

www.dcinubator.co.uk 

Identity

So much of who the entrepreneur is, is tied up with what the business does. If business under threat, or no longer a viable option, they could feel the effects not only professionally, but personally too.

Networking culture

With many events and sessions for entrepreneurs often providing free drinks, when and how does indulging in a few social beverages become alcohol abuse?

Personality traits

Common words to describe stereotypical successful entrepreneur might be: ambitious, creative, eccentric, or solitary. In turn, these words could also be applied to some elements of mental health conditions, and so continuing the concept of ['genius in madness'](#).

These conditions could manifest themselves as anxiety, depression or stress, or another type of mental health issue.

Failure

No one sets out thinking that their business will fail. Still some businesses won't be successful.

Lack of discussion

While more can be done to promote positive mental health and create a dialogue around it more generally, when you look at entrepreneurs and mental health in particular, there seem to be even fewer opportunities for discussion.

slido



Did entrepreneurs come to ask for help during crisis periods?

ⓘ Start presenting to display the poll results on this slide.

slido



What businesses from your MFI's portfolio have had good results in pandemic period?

ⓘ Start presenting to display the poll results on this slide.

slido



What support have you been offering to entrepreneurs in the last year?

ⓘ Start presenting to display the poll results on this slide.

MFI actions to help entrepreneurs

Taking care of entrepreneurs' mental health

1. **Community** – create a sense of belonging and the context for conversations with other entrepreneurs
2. **A Daily Practice** - Mental preparation for entrepreneurship is just as important as business preparation. Relying on a daily practice that includes meditation, journaling, a physical strength exercise and breathwork may help. A healthy entrepreneur = a healthy businesses
3. **Coaches, therapists and support groups** – Surrounding with a team of helpers can be a supportive way to allow them to process where they are, as well as identify proactive ways to move forward. In addition to simply speaking feelings out loud for the first time, the coaches, therapists may help to acknowledge, validate and process their experiences.
4. **Increased Outsourcing In Business & Support in education** - Another common experience in entrepreneurship is to pile responsibility after responsibility on themselves without relying on support. Delegating & hiring will help. Expand by learning for them and their employees will also help.
5. **Self-Acceptance** - applying self-compassion and forgiveness to their challenges. When accepting what is, without fighting against it or judging it, the challenges stop being challenges.

MFI's support can take many forms & actions

1. Entrepreneurship community building initiatives

- **Monthly/Quarterly meetings:**
 - Type: online and offline (recommended)
 - Location: own location or entrepreneurs' location
 - Agenda: max 2 hours event - 1 expert speaker + 1 & 2 entrepreneurs + networking
 - Different subject:
 - Seasonality – ex Christmas sales, Summer activations etc
 - Business challenges – update on legislation
 - Future thinking – digitization, climate change, CSRD reporting etc
 - Create a community - get all in online platform for further support and help
- **Annual meeting/Conference**
- **Business clubs/Business matching initiatives**
- **Meet the officials/ Meet the NGO around**
- **OR JUST GIVE THEM A CALL** – loan officers building great relationships



MFI's support can take many forms & actions

2. A daily/weekly/monthly practice mental health

- **Wellbeing & inspirational messages** – daily/2-3 per week etc – direct marketing, social media, even SMS that will act as reminders
- **Mental health give aways** - break reminders, subscription to mental health app, special agendas for journaling
- **Series of webinars dedicated to mental health care** – open the discussion on entrepreneurship struggles as well as employee struggle
- **Catch up call/Good News call/Stay connected** call from your loan officer – share what is new in MFI and get the pulse of their business



MFI's support can take many forms & actions

3. Coaches, therapists, support groups – surround entrepreneurs with a team of helpers

- **Offer free coaching support to entrepreneurs** – using internal resources or external (paid or barter type with NGOs or other service providers)
- **Support groups for entrepreneurs** – test & learn
- Create a **SME Rewards Program** with discount services on mental health and other services
- Other resources - search your portfolio for resources, look for NGO or governmental programs that you can apply



MFI's support can take many forms & actions

4. Increased Outsourcing In Business & Support in education

- **Negotiate partnership with companies that can offer support to micro-entrepreneurs** – accounting services, legal services, commercial services, online shop extension etc – find out what they need and offer to them
- **Create evolution partnerships** – ex: for agri entrepreneurs financing programs to enable transition to a green and sustainable agriculture
- **Education support** – learning programs for entrepreneurs and their employees – on new legislation, on new business practices, macroeconomics etc



MFI's support can take many forms & actions

5. Educate & promote mental health initiatives – awareness building

- Keep a **calendar on important mental days** in the year
- Create **seasonal campaigns or activations** or just communicate on the day (Facebook posts, e-mailing and other direct communication)
- **Create and distribute educational assets** (infographics, guides, awareness materials)

JAN	FEB	MAR	APRIL	MAY	JUN
		02.03			
#NationalMentoringMonth	#BoostSelfEsteemMonth	#TeenMentalWellnessDay	StressAwarenessMonth	#MentalHealthAwarenessMonth	#PTSDAwareness
03.01		14-20	14.04	03.05	21.06
#InternationalMindBodyWellnessDay	03.02#TimeToTalkDay	#SleepAwarenessWeek	#MomentOfLighthouseDay	#NationalGardenMeditationDay	#InternationalYogaDay
JUL	AUG	SEP	OCT	NOV	DEC
	30.08	04.09		02.11	28.12
#MinorityMentalHealth	#GriefAwarenessDay	#SuicidePreventionWeek	#SpeakYourMind #NDS	#NationalStressAwarenessDay	#CallAFriendDay
		10.09 World Suicide Prevention Day	10.10 #WorldMentalHealthDay	13/10 #WorldKindnessDay	
			27.10 #NationalMentoringDay		

<https://www.straighttalkcounseling.org/mental-health-awareness-calendar>

There is also opportunity in any crisis

Pandemic and crisis situations bring on evolution and opportunity for existing and new entrepreneurs.



"In every crisis lies opportunity. People who are successful are not lucky; they are just prepared for opportunities that come their way. Anticipation is power."

Tony Robbins

www.lucydickens.com.au

Opportunities comes with crisis and uncertainty

Mental health startup funding reached a historic record of \$852 million in the first quarter of 2021, nearly twice the amount raised during the same period in 2020, according to CB Insights.

U.S. DIGITAL HEALTH FUNDING AND DEAL SIZE

2012-Q3 2022



Note: Includes U.S. deals >\$2M; data through September 30th, 2022
Source: Rock Health Digital Health Venture Funding Database

Businesses and entrepreneurs thriving in pandemic or crisis situations

Mental health businesses

1. **Meru Health** – founded in 2016, online mental healthcare platform, +700% growth in 2020
2. **Better UP** – founded in 2013, coaching and mental health platform, increased in pandemic, \$1.73 billion worth
3. **Real** - founded in 2019, promote and expand the use of group therapy
4. **Wysa by Touchkin eServices** - AI-powered mental health app

Other businesses that did/do well in crisis

Agricultural producers

Home Improvement

Online Reselling

Child Care

Auto repair/ Repair services in general

Food and Beverage Business

+ what more?

Instead of conclusions....

- Research and look for “pain points” in entrepreneurs and business life cycle & act on them.
- Understand the context and how does it impact the entrepreneurs & create intervention programs.
- Be there for them – human to human – call, meet, keep in touch and offer specialized support.

The authors take full responsibility for the contents of this report. The opinions expressed do not necessarily reflect the view of the Advisory Hub, nor the European Investment Bank, nor the European Commission

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